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Liability for Search Engine Triggering of Trademarked Keywords after *Rescuecom*

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LIABILITY FOR SEARCH ENGINE TRIGGERING OF TRADEMARKED KEYWORDS AFTER RESCUECOM

Riana Pfefferkorn¹

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Abstract

“Trademark keying” is the practice of buying and selling trademarked terms as keywords in search engine advertising campaigns. In September 2006, a federal district court in *Rescuecom Corp. v. Google, Inc.* held that the practice does not constitute trademark use, a threshold criterion in a trademark infringement claim. Since *Rescuecom*, the focus of trademark keying litigation has shifted, giving some guidance to potential litigants. In addition, the U.S. Court of Appeals for the Second Circuit has diverged from other circuits. While federal courts within the Second Circuit have fashioned the emerging rule that an advertiser’s internal use of trademarked terms as search engine keywords, without more, is not a trademark use within the meaning of the Lanham Act, courts in other circuits have consistently held that such internal use does constitute trademark use. This Article evaluates the diverging lines of recent cases giving rise to these two approaches, explores what implications the split holds for potential litigants, and provides general guidelines for businesses wishing to avoid infringement claims for trademark keying.

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INTRODUCTION

<1>The recent decision in *Rescuecom Corp. v. Google, Inc.*² marks a turning point in trademark keying litigation. Trademark infringement lawsuits against search engines for trademarked keyword sales have given way to litigation against plaintiffs' direct business competitors concerning their purchases of trademarked keywords. In addition to marking a shift in plaintiffs' typical choice of defendants, *Rescuecom* heralded a divergence in judicial approaches to infringement claims over trademarked keywords. As of this writing, a split has developed between Second Circuit courts and district courts in other circuits in applying federal trademark law to the practice of trademark keying on search engines.

<2>To have committed trademark infringement, a trademark keying defendant must have made use in commerce of the plaintiff's mark in a manner likely to cause consumer confusion. While district courts within the Second Circuit have uniformly held that mere internal use of a trademarked term as a paid keyword, without more, is not a "use in commerce,"³ all other district court decisions have held that such internal use alone does constitute trademark use.⁴ However, courts on both sides of the question have agreed that unless the plaintiff's mark appears in the defendant's advertisements triggered by the trademarked keyword, as a matter of law, there is no use in commerce.⁵ This latter rule regarding likelihood of confusion will help businesses avoid litigation over using trademark keying in their search engine advertising efforts.

THE PRACTICE OF TRADEMARK KEYING

<3>"Trademark keying" refers to the purchase and sale of trademarked terms as keywords in an advertising campaign on a search engine such as Google or Yahoo!⁶ When a user enters a search query containing the trademarked term, a keyword purchaser's ad appears in the search results.⁷ Search engine ad campaigns are vital to both the search engines themselves⁸ and to many of the businesses that advertise on them.⁹

<4>Trademark keying constitutes an important portion of those campaigns. The high volume of searches that contain trademarked keywords and the efficacy of targeting ads to the users performing those searches make trademark keying a valuable

marketing strategy.¹⁰ Since many businesses rely on the strength of their trademarked brands, some companies sue for trademark infringement in an attempt to prevent their marks' use as paid keywords.

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<5>The search engines themselves have tried to minimize the incidence of trademark infringement problems arising from their advertising programs. Google¹¹ and Yahoo!¹² have provided some protection for trademark owners' rights through advertising policies regulating how their clients may use trademarked terms.¹³ Nonetheless, because the law around trademark keying is not yet settled, these policies have not stopped some trademark holders from suing search engines and their clients.

TRADEMARK INFRINGEMENT UNDER THE LANHAM ACT

<6>The Lanham Act¹⁴ sets forth four basic requirements that a plaintiff claiming trademark infringement must establish: (1) the plaintiff owns a valid mark entitled to Lanham Act protection;¹⁵ (2) the defendant used the mark in commerce;¹⁶ (3) the use is "in connection with the sale, offering for sale, distribution, or advertising of any goods or services;"¹⁷ and (4) the manner of use is "likely to cause confusion . . . as to the affiliation, connection, or association of" the defendant with the plaintiff or "as to the origin, sponsorship, or approval of [the defendant's] goods, services, or commercial activities" by the plaintiff.¹⁸

<7>A trademark owner suing for infringement therefore has several hurdles to jump. The threshold issue in a trademark infringement claim is whether trademark keying constitutes a "use in commerce" of the trademark.¹⁹ Without use, there can be no infringement.²⁰ Even after establishing trademark use, in order to prevail on the infringement claim, the plaintiff must show that this use caused a likelihood of consumer confusion.²¹

<8>In the Second Circuit, the most active circuit for trademark keying cases,²² courts have construed the Lanham Act's trademark infringement requirements differently from most other jurisdictions in two regards. First, courts within the Second Circuit break out "use" and "in commerce" as separate elements,²³ rather than treating "use in commerce" as a single element.²⁴ This difference helps explain why analyses in decisions from courts outside of the Second Circuit generally focus on "use in commerce,"²⁵ while Second Circuit decisions frequently do not reach the "in commerce" element since their analysis may conclude there was no "trademark use in the first instance."²⁶

Second, the Second Circuit has added a requirement that a

defendant must have used the mark without the plaintiff's consent.²⁷ *Washington Journal of Law, Technology & Arts*, Vol. 5, Iss. 1 [2008], Art. 2 Courts in other jurisdictions have not explicitly required this element in their trademark keying analyses.²⁸

RESCUECOM'S PLUNGE INTO MUDDY WATERS

<9>The plaintiff in *Rescuecom* was a computer services franchising company which sued Google for permitting Rescuecom's competitors to bid on keywords containing the "Rescuecom" trademark in their AdWords campaigns, and for suggesting the trademark to those competitors as a potential keyword through Google's Keyword Suggestion Tool.²⁹ However, Rescuecom did not allege that the resulting AdWords ads displayed its trademark.³⁰ Google countered that the disputed conduct was not an actionable "trademark use."³¹ The court agreed with Google, holding that its internal use of Rescuecom's trademark "is not a use of a trademark within the meaning of the Lanham Act"; it therefore granted Google's motion to dismiss the lawsuit.³²

<10>At the time of the *Rescuecom* decision, courts in various jurisdictions had already begun issuing conflicting opinions on whether trademark keying (purchase or sale) constitutes trademark infringement.³³ The earliest case held trademark keying to be trademark use. *Government Employees Insurance Company v. Google, Inc.*³⁴ considered the defendants'³⁵ practice of letting advertisers bid on GEICO's trademarks as keywords.³⁶ The court ruled that this was a use in commerce of the marks, although users never saw the keywords since they were used only in Google's "internal computer algorithms."³⁷

<11>Two more early cases followed the *GEICO* decisions. In 2006, the court in *800-JR Cigar, Inc. v. GoTo.com, Inc.* also held in the affirmative on trademark use in a similar fact pattern to *GEICO*'s: while the plaintiff's marks did not appear in competitors' ad text, the defendant search engine had accepted bids on the keyword "jr cigar" and similar terms, and its Search Term Suggestion Tool identified certain of the plaintiff's marks as potential keywords for competitors to use.³⁸ The *JR-Cigar* decision was issued shortly after another court had held a business's purchase of its competitor's marks as keywords to be trademark use.³⁹ The holding in that case, *Edina Realty, Inc. v. TheMLSOnline.com*, was based "on the plain meaning of the Lanham Act,"⁴⁰ but the court decided the issue of likelihood of confusion was a matter for a jury.⁴¹

<12>While *Rescuecom* was pending, only one case had challenged these three courts' broad interpretation⁴² of "trademark use." In

Merck & Co., Inc. v. Mediplan Health Consulting, Inc.,⁴³ Merck sued several Canadian Internet pharmacies in the Second Circuit district court for the Southern District of New York.⁴⁴ Merck alleged the pharmacies had committed trademark infringement in buying Merck's trademarked term "ZOCOR" as a keyword on Google and Yahoo in order to market the Zocor drug and generic versions thereof to an American audience.⁴⁵ The court interpreted "trademark use" narrowly,⁴⁶ holding that buying keywords containing the plaintiff's mark, without placing that mark in the text of the ads, was not a trademark use.⁴⁷

<13> Merck relied heavily on an earlier Second Circuit decision, *1-800 Contacts, Inc. v. WhenU.com, Inc.*, which had ruled there was no use of the plaintiff's trademarks where an Internet user's searches triggered pop-up ads, not text ads.⁴⁸ WhenU caused pop-up ads for the plaintiff's competitors to appear on a user's desktop when the user visited the plaintiff's website or typed 1-800 Contacts-related terms into her browser or a search engine.⁴⁹ The URL for the plaintiff's website was included "in an unpublished directory of terms that trigger delivery of WhenU's contextually relevant advertising" to users.⁵⁰ WhenU did not disclose those terms to its clients, did not "'sell' keyword trademarks to its customers" to add to the directory, and did not "link trademarks to any particular competitor's ads."⁵¹

<14> Distinguishing "use," "in commerce," and "likelihood of confusion" as separate elements, *1-800 Contacts* rejected *GEICO*'s reasoning that the sale of trademarked keywords was a use in commerce because it created a likelihood of confusion.⁵² *GEICO*, the *1-800 Contacts* court said, "put the cart before the horse" by "seemingly bas[ing] a finding of trademark 'use' on the confusion such 'use' was likely to cause."⁵³ *1-800 Contacts* held that "'use' must be decided as a threshold matter because, while any number of activities may be 'in commerce' or create a likelihood of confusion, no such activity is actionable under the Lanham Act absent the 'use' of a trademark."⁵⁴

RIPPLES FROM RESCUECOM: SHIFTING THE FOCUS OF TRADEMARK KEYING LITIGATION

<15> *Rescuecom* rejected the *GEICO/Edina Realty/800-JR Cigar* line of cases, holding, like *Merck*,⁵⁵ that trademark keying was not a trademark use.⁵⁶ After considering the split among other courts on trademark keying,⁵⁷ the court rejected *GEICO* and *Edina Realty* as "inconsistent with the law of the Second Circuit."⁵⁸ Basing its ruling on *1-800 Contacts*' forceful language and clear

reasoning, *Rescuecom* extended 1-800 Contacts' pop-up ad rule to the trademark keying context.⁶⁰ Washington Journal of Law, Technology & Arts, Vol. 5, Iss. 1 [2008], Art. 2

<16>Key to the court's conclusion that Google had not made trademark use of Rescuecom's mark was the fact that Google had used the mark only internally, without displaying it in any ads.⁶¹ The court noted that using the mark in ad text would have been a trademark use,⁶² but Google had merely suggested the mark to Rescuecom's competitors as a possible keyword.⁶³ Referring to 1-800 Contacts, the court dismissed the plaintiff's trademark infringement claim, holding that Google's "internal utilization of [Rescuecom's] trademark in a way that does not communicate it to the public . . . simply does not violate the Lanham Act."⁶⁴

<17>*Rescuecom* marked the beginning of the end for trademark infringement lawsuits against search engines. At the time of *Rescuecom*, court decisions reflected an apparent tendency by plaintiff businesses to prefer suing search engines for selling their trademarked keywords to their competitors⁶⁵ over suing those competitors directly for purchasing those keywords.⁶⁶ Since the court in *Rescuecom* held that Google had not used Rescuecom's trademark,⁶⁷ that trend has reversed: there has been significant activity in the courts involving trademark keying lawsuits brought by businesses against their competitors, while no court has issued a ruling contrary to *Rescuecom* in regard to a search engine defendant.⁶⁸ Moreover, the last prominent case against a search engine at the time of this writing, American Airlines' lawsuit against Google, settled in July 2008.⁶⁹ While the settlement terms are confidential,⁷⁰ the settling of this high-profile case less than a year after it was filed nonetheless suggests that most businesses have accepted the futility of suing search engines for trademark infringement.⁷¹

<18>The shift in plaintiffs' claims from keyword sale to keyword purchase supports Google's disclaimer of responsibility in its trademark policy. Google's Terms & Conditions "make it clear that advertisers [not Google] are responsible for the keywords they choose to generate advertisements and the text that they choose to use in those advertisements."⁷² *Rescuecom* signals to advertisers that they, not the search engines they engage to bring them business, will be held accountable if their search engine advertising campaigns infringe upon their competitors' trademarks.

CIRCUITS SPLIT ON KEYWORDS, AGREE ON TRADEMARKED TERMS IN AD TEXT

easier in the Second Circuit than in other circuits. Since the *Rescuecom* decision, courts in that circuit have unvaryingly affirmed the *Merck/Rescuecom* rule that the internal use of trademarks as keywords, without more, does not constitute a trademark use under the Lanham Act.⁷³ Outside the Second Circuit, courts have uniformly taken the contrary position, holding trademark keying to be trademark use.⁷⁴ Any forthcoming decisions on trademark keying from a Second Circuit court thus will likely follow the *Rescuecom* line, since *Rescuecom*'s reasoning rested on binding precedent from *1-800 Contacts*.⁷⁵ However, consistent with the split, courts outside the Second Circuit will probably hold contrary to *Rescuecom* on the trademark use issue.

<20>Two cases that do not follow the Second Circuit rule came down shortly after *Rescuecom*. In *Buying for the Home, LLC v. Humble Abode, LLC* (decided in October 2006), the plaintiff sued the defendant, its competitor in the online furniture retailing business,⁷⁶ over the defendant's use of a single keyword, "total bedroom," allegedly a valid mark owned by the plaintiff.⁷⁷ The New Jersey federal district court considered *Merck* and *Rescuecom* on the one hand and *GEICO*, *Edina Realty*, and *800-JR Cigar* on the other,⁷⁸ and found the latter line of cases more persuasive.⁷⁹ Looking to *Buying for the Home* three months later, a Pennsylvania federal district court held in *J.G. Wentworth, S.S.C. Limited Partnership v. Settlement Funding LLC* that the defendant had made trademark use by using J.G. Wentworth's marks to trigger AdWords ads.⁸⁰ The court rejected the argument that using the plaintiff's trademarks "in a method invisible to potential consumers" was not trademark use.⁸¹

<21>After the passage of nearly a year, the Massachusetts federal district court joined "the emerging view outside of the Second Circuit" in *Boston Duck Tours, LP v. Super Duck Tours, LLC*.⁸² Holding that view to be "in accord with the plain language of the [Lanham Act]," the court held that "[b]ecause sponsored linking necessarily entails the 'use' of the plaintiff's mark as part of a mechanism of advertising, it is 'use' for Lanham Act purposes."⁸³

<22>In the interim between *J.G. Wentworth* and *Boston Duck Tours*, a number of courts in the Second Circuit had perpetuated that circuit's divergence from the others by following *Rescuecom*'s ruling that internal use of a plaintiff's marks in the defendant's keyword list is not a trademark use.⁸⁴ Eschewing the broad analysis conducted in such cases as *Boston Duck Tours*, courts adopting the narrower *Rescuecom* view have extended to the trademark keying context the Second Circuit's binding holding in *1-800 Contacts* that internal trademark utilization that is invisible to the public is not a Lanham Act violation.⁸⁵ These courts reason

that the invisibility to the user of the trademarked terms precludes a finding under the Lanham Act that the defendant had used the mark on or "in connection with any goods or services."⁸⁶ Several of the courts have also echoed *1-800 Contacts'* analogy comparing internal use to product placement⁸⁷ or private thoughts about a product.⁸⁸

<23> However, if a defendant goes beyond merely purchasing the marks as keywords and includes the plaintiff's trademark in the ad text triggered by the keyword, then courts do hold that to be trademark use. In this situation, courts reason, a plaintiff's mark does appear on the defendant's advertisements, as contemplated by the Lanham Act.⁸⁹ For example, in *Hamzik v. Zale Corp./Del.*, the court agreed with *Rescuecom's* reasoning that internal keyword purchases are not "use" under the Lanham Act, but noted that the facts of *Hamzik* distinguished it from those previous cases: the plaintiff's trademarks allegedly appeared in the defendant's ad text triggered by the keywords it had purchased that also contained those marks.⁹⁰ This fact pattern, the court held, "may . . . demonstrat[e] that Plaintiff's trademark *does* appear on the displays associated with [the defendant's] goods or documents associated with [the defendant's] goods or their sale."⁹¹

<24> A recent trademark keying case out of another district court in the Second Circuit, *S & L Vitamins, Inc. v. Australian Gold, Inc.*,⁹² succinctly stated the rule within the Second Circuit: "use of a trademark in keywords . . . where the use is strictly internal and not communicated to the public, does not constitute a Lanham Act 'use' and, therefore, does not support a Lanham Act claim."⁹³ This distinction between keywords and ad text containing trademarked terms is sensible, given that ad text is more clearly "in commerce" than an internal keyword listing.⁹⁴ Regardless of whether plaintiffs are in a jurisdiction following the *Rescuecom* rule as to internal keywords, those who can show that defendants used their mark in ad text have met their threshold burden of showing trademark use.⁹⁵

WHILE "USE" IS THE THRESHOLD ISSUE, "LIKELIHOOD OF CONFUSION" IS DISPOSITIVE

<25> A holding of trademark use is not the end for a defendant in a trademark infringement case. Even courts holding trademark keying to be a "use in commerce" have recognized that use alone is not a violation of the Lanham Act.⁹⁶ The plaintiff must still prove the key element of a trademark claim: that the defendant's use resulted in a likelihood of consumer confusion.⁹⁷

<26> Likelihood of confusion exists if a consumer viewing a trademark on a product or service would probably assume it is associated with a different product or service.⁹⁸ The *J.G. Wentworth* court recognized that as a matter of law, unless trademarked terms appear in the text of the triggered ad, the use of ads triggered by trademarked keywords cannot confuse consumers.⁹⁹ Since the internal use of trademarks as keywords is invisible to a search engine user, consumer confusion is not possible in that circumstance.

<27> In so holding, *J.G. Wentworth* resolved an issue left unclear by *GEICO*: whether ad headings or text containing plaintiffs' trademarks are likely to cause confusion.¹⁰⁰ While likelihood of confusion is typically a jury question,¹⁰¹ the *J.G. Wentworth* court noted that no reasonable jury could conclude from the facts presented that the defendant's solely internal use of the plaintiff's mark resulted in a likelihood of confusion.¹⁰²

CONCLUSION

<28> The Second Circuit Court of Appeals heard oral arguments in *Rescuecom's* appeal in early April 2008.¹⁰³ The "no use" rule propounded in *Rescuecom* and affirmed in subsequent Second Circuit cases at the district court level seems likely to be upheld by the Second Circuit on appeal, given the Court's own prior precedent in *1-800 Contacts*.¹⁰⁴ While the settlement of *American Airlines* indicates that litigation against search engines has run its course, the Second Circuit's forthcoming *Rescuecom* decision will signal whether trademark keying litigation against competitors has a future. Whatever it decides, the Second Circuit's ruling will carry great weight nationwide as the first appellate-level decision on whether trademark keying is a trademark use in commerce. However, regardless of the court's "use in commerce" ruling, the "likelihood of confusion" rule will remain essential to a court's analysis of the facts in any trademark keying case, irrespective of venue.

<29> While defendant companies that bid on other businesses' trademarked terms as keywords should prevail at an early stage of litigation if sued in a Second Circuit court—provided they do not use others' marks in ad text, that is—they may still face adverse litigation outcomes elsewhere. The circuit split over trademark keying may indicate to prospective plaintiffs that they should try to bring suit in a circuit where a court has ruled that buying keywords is a trademark use in commerce.¹⁰⁵ Even if their practices are in line with the emerging rules and search engine trademark policies, search engine advertisers engaging in trademark keying should be aware of the possible consequences

of being haled into federal court outside of the Second Circuit.¹⁰⁶
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<30> Search engines' trademark policies will continue to evolve and change, bringing them into compliance with the changing face of the law and helping them and their clients avoid litigation.¹⁰⁷ Those concerned about trademark keying should heed the strong role of internal policy in the search engine space, while also keeping an eye on developments in the courts. Industry self-regulation will continue to play a key part in search engine advertising long after courts have settled the law on trademark keying.

PRACTICE POINTERS

- A business that does not want its trademarks used by competitors should always take advantage of a search engine's policies and request that the search engine stop permitting others to use its marks before turning to litigation.
- Competitors' trademarked terms should not be used in the text of keyword-triggered ads on a search engine —while it is controversial whether the practice of using competitors' trademarked terms as keywords constitutes a trademark use, courts have been quite consistent in holding that using such terms in the text of ads is a trademark use.

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Footnotes

1. Riana Pfefferkorn, University of Washington School of Law, Class of 2009; member of the AdWords group at Google from 2003 to 2004. Thank you to Professor Anita Ramasastry, University of Washington School of Law, and Jeff Bashaw for their invaluable help and feedback on this Article, and to Professor Eric Goldman, Santa Clara University School of Law, and Joe Gratz, associate, Kecker & Van Nest LLP, for sharing their expertise in this area of the law.
2. *Rescuecom Corp. v. Google, Inc.*, 456 F. Supp. 2d 393 (N.D.N.Y. 2006).
3. For decisions prior to *Rescuecom* in which the court held there was no trademark use, see *1-800 Contacts, Inc. v. WhenU.Com, Inc.*, 414 F.3d 400 (2d Cir. 2005), and *Merck & Co., Inc. v. Mediplan Health Consulting, Inc.*, 425 F. Supp. 2d 402 (S.D.N.Y. 2006). For similar

rulings issued by Second Circuit district courts after *Pfefferkorn: Liability for Search Engine Triggering of Trademarked Keywords of Rescuecom*, see *Site Pro-1, Inc. v. Better Metal, LLC*, 506 F. Supp. 2d 123 (E.D.N.Y. 2007), *FragranceNet.com, Inc. v. FragranceX.com, Inc.*, 493 F. Supp. 2d 545 (E.D.N.Y. 2007), and *S & L Vitamins, Inc. v. Australian Gold, Inc.*, 521 F. Supp. 2d 188 (E.D.N.Y. 2007).

4. See *Gov't Employees Ins. Co. v. Google, Inc. (GEICO I)*, 330 F. Supp. 2d 700 (E.D. Va. 2004), more detailed opinion issued, 2005 WL 1903128 (E.D. Va. Aug. 8, 2005) (*GEICO II*); *Edina Realty, Inc. v. TheMLSOnline.com*, 2006 WL 737064 (D. Minn. Mar. 20, 2006), *motion to amend denied*, 2006 WL 1314303 (D. Minn. May 11, 2006); *800-JR Cigar, Inc. v. GoTo.com, Inc.*, 437 F. Supp. 2d 273 (D.N.J. 2006). For more recent cases from other circuits declining to follow *Rescuecom* see *Buying for the Home, LLC v. Humble Abode, LLC*, 459 F. Supp. 2d 310 (D.N.J. 2006), *J.G. Wentworth, S.S.C. Ltd. P'ship v. Settlement Funding LLC*, 2007 WL 30115 (E.D. Pa. Jan. 4, 2007); *Boston Duck Tours, LP v. Super Duck Tours, LLC*, 527 F. Supp. 2d 205 (D. Mass. 2007), *rev'd on other grounds*, 2008 WL 2444480 (1st Cir. June 18, 2008).
5. *J.G. Wentworth*, 2007 WL 30115 at *6 ("Even accepting plaintiff's allegations as true—i.e., assuming that defendant did in fact use plaintiff's marks through Google's AdWords program [...]—as a matter of law defendant's actions do not result in any actionable likelihood of confusion under the Lanham Act."). See also *Site Pro-1*, 506 F. Supp. 2d at 127 (holding no use in commerce where the plaintiff's mark was neither displayed in the sponsored search result linking to the defendant's website nor placed on the defendant's goods or on ads or displays associated with those goods); *Hamzik v. Zale Corp./Del.*, 2007 WL 1174863, at *3 (N.D.N.Y. Apr. 19, 2007) (distinguishing the fact pattern from those in *1-800 Contacts*, *Merck*, and *Rescuecom* because the plaintiff's trademark, which the defendant had purchased as a keyword on various search engines, did appear in the text of the resulting ads for the defendant's website).
6. While other search engines such as Microsoft's MSN/Windows Live and China's Baidu offer advertising services, this Article limits its discussion to Google's AdWords program and Yahoo!'s Yahoo! Search

Marketing (formerly Overture) program, as Google and Yahoo! are consistently ranked the top two search engines by volume of searches. Enid Burns, *Top 10 Search Providers, August 2007*, SEARCH ENGINE WATCH, Sept. 25, 2007, <http://searchenginewatch.com/showPage.html?page=3627122>. For an overview of how these advertising programs work, see Google AdWords, <http://adwords.google.com> (last visited Nov. 26, 2007) and Yahoo! Small Business Search Engine Marketing, <http://searchmarketing.yahoo.com/srch/index.php> (last visited Nov. 26, 2007).

7. Although the phrase “trademark keying” typically refers to the sale of trademarked terms as paid keywords, this Article will use the phrase to refer to purchase, not to sale, of such terms unless otherwise indicated (such as in the context of cases brought by or against search engines). See Terrance J. Keenan, *American and French Perspectives on Trademark Keying: The Courts Leave Businesses Searching for Answers*, 2 Shidler J. L. Com. & Tech. 14, ¶ 1 (2005), <http://www.lctjournal.washington.edu/Vol2/a014Keenan.html> (discussing trademark keying and American and French cases addressing it). Furthermore, this Article discusses only keyword purchases in search engine advertising campaigns, not metatagging, adware, or other Internet marketing practices that commonly become subjects of litigation. Statutory regulation of trademark keying also falls outside the scope of this Article. *E.g.*, Trademark Protection Act, 2007 Utah Laws ____.
8. Google Corporate Information: Our Philosophy, <http://www.google.com/corporate/tenthings.html> (last visited Oct. 15, 2007) (“The revenue the company generates is derived . . . from the sale of advertising displayed on Google and on other sites across the web.”). See Miguel Helft, *A Long-Delayed Ad System Has Yahoo Crossing Its Fingers*, N.Y. TIMES, Feb. 5, 2007, at C1, available at <http://www.nytimes.com/2007/02/05/technology/05yahoo.html> (discussing the roll-out of Yahoo!’s new search advertising system).
9. See, *e.g.*, *What Works, and What Doesn’t, in Online Marketing*, EMARKETER.COM, Feb. 2, 2007, http://www.emarketer.com/Article.aspx?id=1004532&src=article1_newsltr.

10. Keenan, *supra* note 7, at ¶¶ 3-5.
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11. For information on Google's trademark policy, see *id.* at ¶ 6. See also Paul Lambert & TJ McIntyre, *Search Engines, Metatags and Keywords – New Challenges in Defending Trade Marks Online*, 13 COMMERCIAL LAW PRACTITIONER 216, 222 (Oct. 2006) (Ir.),
<http://www.tjmcintyre.com/resources/metatags%20and%20keywords>.
(discussing international and Irish implications of the use of trademarks in metadata and keyword advertising); AdWords Trademark Complaint Procedure,
http://www.google.com/tm_complaint_adwords.html
(last visited Aug. 10, 2008) (contrasting Google's trademark policies for the U.S., Canada, U.K, and Ireland with those for the European Union).
12. For information about Yahoo!'s legal guidelines on trademark policy, see Trademarks: Raising Trademark Concerns about Sponsored Search™ Listings,
<http://searchmarketing.yahoo.com/legal/trademarks.php>
(last visited June 22, 2008) [hereinafter "Yahoo! Trademark Policy"].
13. See Keenan, *supra* note 7, at ¶ 7 (comparing Google's and Yahoo!'s trademark policies within a discussion of trademark keying litigation in the U.S. and France; calling Yahoo!'s policy more balanced than Google's).
14. Lanham (Trademark) Act, 15 U.S.C. §§ 1051-1141n (2007).
15. 15 U.S.C. § 1114(1)(a) (2007). The senior user of the mark acquires priority rights in the mark. J. THOMAS MCCARTHY, 2 MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 16:1 (4th ed. 2008).
16. 15 U.S.C. § 1114(1)(a).
17. *Id.*; *Rescuecom Corp. v. Google, Inc.*, 456 F. Supp. 2d 393, 398 (N.D.N.Y. 2006) (citing *1-800 Contacts, Inc. v. WhenU.Com, Inc.*, 414 F.3d 400, 407 (2d Cir. 2005)).
18. 15 U.S.C. § 1125(a)(1)(A) (2007); *Rescuecom*, 456 F. Supp. 2d at 398. These four elements are required for registered trademarks; § 1125 also sets forth the parallel requirements for unregistered marks. 15 U.S.C. § 1125; see also *1-800 Contacts*, 414 F.3d at 406.
19. 15 U.S.C. § 1114(1)(a). This provision specifies that the defendant's use in commerce must be "in

connection with the sale, offering for sale, distribution, or advertising of any goods or services.” *Id.* However,

according to the Act’s definitions provision, § 1127, a mark will be deemed to be used in commerce on goods that are “sold or transported in commerce” when, *inter alia*, the mark “is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto....”; and on services when, *inter alia*, the mark “is used or displayed in the sale or advertising of services and the services are rendered in commerce.” 15 U.S.C. § 1127 (2007). Advertising for *services* is covered under §§ 1114(1)(a) and 1127; for *goods*, only under § 1114(1)(a). This and other discrepancies in the language of the Lanham Act have caused great confusion when courts try to apply the sixty-year-old Act’s “trademark use” requirement, which limits which conduct can be considered infringing, to the new contexts of search engine advertising and other areas of Internet commerce. For a discussion of how recent case law sometimes “ignore[s] or construe[s] away the trademark use requirement,” culminating in the conclusion that “[t]he end result has been a remarkable expansion of the control trademark owners are able to extend in some cases over unauthorized references to their marks on the Internet,” see Margreth Barrett, *Internet Trademark Suits and the Demise of “Trademark Use,”* 39 U.C. Davis L. Rev. 371, 374-75, 434 (2006). For further analysis of courts’ confusion over the statutory meaning of “use in commerce,” see Graeme B. Dinwoodie & Mark D. Janis, *Confusion Over Use: Contextualism in Trademark Law*, 92 IOWA L. REV. 1597, 1662 (2007) (rejecting other scholars’ “trademark use” theory in favor of the authors’ “contextual analysis” that makes consumer confusion the primary basis for liability but allows for “competing rationales” to defeat “some levels of confusion”).

20. 15 U.S.C. § 1114(1)(a); see *1-800 Contacts*, 414 F.3d at 412 (“[U]se’ must be decided as a threshold matter because, while any number of activities may be ‘in commerce’ or create a likelihood of confusion, no such activity is actionable under the Lanham Act absent the ‘use’ of a trademark.”) (citation omitted).
21. 15 U.S.C. § 1114(1)(a).
22. In addition to *Rescuecom*, federal courts in the Second Circuit have decided, *inter alia*, *Merck & Co., Inc. v.*

- 2d 425 (S.D.N.Y. 2006); *FragranceNet.com, Inc. v. FragranceX.com, Inc.*, 493 F. Supp. 2d 545 (E.D.N.Y. 2007); *S & L Vitamins, Inc. v. Australian Gold, Inc.*, 521 F. Supp. 2d 188 (E.D.N.Y. 2007).
23. *See, e.g.*, *1-800 Contacts, Inc. v. WhenU.Com, Inc.*, 414 F.3d at 412 (“‘[U]se,’ ‘in commerce,’ and ‘likelihood of confusion’ [are] three distinct elements”); *Rescuecom Corp. v. Google, Inc.*, 456 F. Supp. 2d 393, 398, 400 (N.D.N.Y. 2006) (“[T]he law of the Second Circuit...specifies that trademark use, in commerce, and likelihood of confusion are three separate elements.”). *See also* *Site Pro-1, Inc. v. Better Metal, LLC*, 506 F. Supp. 2d 123, 128 (E.D.N.Y. 2007) (quoting “three distinct elements” language from *1-800 Contacts*, 414 F.3d at 412); *S & L Vitamins*, 521 F. Supp. 2d at 199 (listing “use” and “in commerce” as separate elements, citing *1-800 Contacts*, 414 F.3d at 407).
24. The Fourth Circuit Court of Appeals, like the Second Circuit, treats “use” and “in commerce” as separate prongs of a Lanham Act cause of action. *Compare* *Buying for the Home, LLC v. Humble Abode, LLC*, 459 F. Supp. 2d 310, 318 (D.N.J. 2006), *800-JR Cigar, Inc. v. GoTo.com, Inc.*, 437 F. Supp. 2d 273, 281 (D.N.J. 2006), *Edina Realty, Inc. v. TheMLSOnline.com*, 2006 WL 737064, at *3 (D. Minn. Mar. 20, 2006), *motion to amend denied*, 2006 WL 1314303 (D. Minn. May 11, 2006), *and* *Picture It Sold, Inc. v. iSOLD IT, LLC*, 199 Fed. Appx. 631, 632 (9th Cir. 2006) (treating “use in commerce” as one element), *with* *Gov’t Employees Ins. Co. v. Google, Inc. (GEICO I)*, 330 F. Supp. 2d 700, 702-03 (E.D. Va. 2004) (breaking out “use” and “in commerce” as separate prongs of a Lanham Act cause of action and addressing Google’s argument that the plaintiff’s alleged facts did not establish the “in commerce” and “use in connection with” prongs) *and* *People for Ethical Treatment of Animals v. Doughney*, 263 F.3d 359, 364 (4th Cir. 2001) (treating “use” and “in commerce” as separate prongs in the circuit’s five-prong trademark infringement test).
25. *See, e.g.*, *Edina Realty*, 2006 WL 737064, at *3 (holding the defendant made a “use in commerce” of the plaintiff’s mark); *J.G. Wentworth, S.S.C. Ltd. P’ship v. Settlement Funding LLC*, 2007 WL 30115, at

- *4 (E.D. Pa. Jan. 4, 2007) (considering whether trademark keying “constitutes the type of ‘use in commerce’ contemplated by the Lanham Act”). See also *GEICO I*, 330 F. Supp. 2d at 702, 704 (applying Fourth Circuit analysis treating “use” and “in commerce” as separate elements, but holding both prongs met).
26. *Rescuecom*, 456 F. Supp. 2d at 401 (“Although [the] facts [of the case at bar] may suffice to satisfy the ‘in commerce’ and likelihood of confusion requirements at the pleading stage, without an allegation of trademark use in the first instance, they cannot sustain a cause of action for trademark infringement.” (citing *1-800 Contacts*, 414 F.3d at 412)).
 27. See, e.g., *1-800 Contacts*, 414 F.3d at 407.
 28. See, e.g., *Picture It Sold*, 199 Fed. Appx. at 632; *Edina Realty*, 2006 WL 737064, at *4; *GEICO I*, 330 F. Supp. 2d at 702; *800-JR Cigar*, 437 F. Supp. 2d at 281-2; *Buying for the Home*, 459 F. Supp. 2d at 318. For a discussion of how courts break down the Lanham Act analysis, see *Merck & Co., Inc. v. Mediplan Health Consulting, Inc.*, 425 F. Supp. 2d 402, 410-11 (S.D.N.Y. 2006), *reconsideration denied*, 431 F. Supp. 2d 425 (S.D.N.Y. 2006).
 29. *Rescuecom*, 456 F. Supp. 2d at 396-97.
 30. *Id.* at 401.
 31. *Id.* at 397-98.
 32. *Id.* at 403-04.
 33. *Id.* at 398-400, 402-03 (analysis of existing cases).
 34. *Government Employees Ins. Co. v. Google, Inc.* (*GEICO I*), 330 F. Supp. 2d 700 (E.D. Va. 2004), more detailed opinion issued, 2005 WL 1903128 (E.D. Va. Aug. 8, 2005) (*GEICO II*). The two decisions will hereinafter be referred to collectively as “*GEICO*,” but citations to the opinions will be given as “*GEICO I*” or “*GEICO II*.”
 35. Co-defendant Overture (formerly GoTo.com), which was ultimately dismissed from GEICO’s suit, was later acquired by Yahoo! and re-branded as Yahoo! Search Marketing. Press Release, Yahoo! Media Relations, Yahoo! to Acquire Overture (July 14, 2003), <http://docs.yahoo.com/docs/pr/release1102.html> (press release dated July 14, 2003, announcing

Yahoo!'s acquisition of Overture); Yahoo! Trademark Policy, *supra* note 12 (noting Yahoo! Search Marketing was "formerly Overture Services, Inc.").

36. For the court's description of how a search on a keyword generates an AdWords ad, see *GEICO II*, 2005 WL 1903128, at *2 ("A user can search on general terms, such as 'auto insurance,' or more specific keywords, such as 'GEICO.' . . . [T]hrough its 'Adwords' [sic] advertising program, Google sells [advertisers] the opportunity to . . . place their ads next to the organic listings associated with trademarked terms, such as 'GEICO.'").
37. *GEICO I*, 330 F. Supp. 2d at 702-704 (emphasizing that GEICO still had to prove the defendants' trademark use resulted in a likelihood of confusion before the court would hold the Lanham Act was violated).
38. 800-JR Cigar, Inc. v. GoTo.com, Inc., 437 F. Supp. 2d 273, 283-5 (D.N.J. 2006).
39. Edina Realty, Inc. v. TheMLSOnline.com, 2006 WL 737064, at *3 (D. Minn. Mar. 20, 2006), *motion to amend denied*, 2006 WL 1314303 (D. Minn. May 11, 2006). In this case, the defendant had purchased keywords such as "Edina Realty" and "EdinaRealty.com" from Google and Yahoo and the text of the triggered ads at times included "Edina Realty™." *Id.* at *1. The plaintiff eventually persuaded Google to stop permitting use of its mark in the defendant's ad text. *Id.*
40. *Edina Realty*, 2006 WL 737064, at *3.
41. *Id.* at *4-6. The court also rejected the defendant's argument that its conduct constituted nominative fair use. *Id.* at *6-7.
42. Stephanie Yu Lim, Comment, *Can Google Be Liable for Trademark Infringement? A Look at the "Trademark Use" Requirement as Applied to Google Adwords*, 14 UCLA Ent. L. Rev. 265, 280-82 (2007) (discussing the arguments for both a broad and a narrow interpretation of "trademark use" in trademark keying cases).
43. 425 F. Supp. 2d 402 (S.D.N.Y. 2006), *reconsideration denied*, 431 F. Supp. 2d 425 (S.D.N.Y. 2006). While *Rescuecom* was to some extent a turning point in this area of the law, *Merck* was also significant and laid

44. *Merck*, 425 F. Supp. 2d at 406-07.
45. *Id.* at 408.
46. While not mentioned in Lim's Comment, *Merck* fits into Lim's category of the "narrow" interpretation of trademark use. Lim, *supra* note 42, at 278-79 (citing *Rescuecom* as an example of the narrow interpretation and *GEICO* as an example of the broad interpretation).
47. *Merck*, 425 F. Supp. 2d at 414-15 (holding that "[t]his internal use of the mark 'Zocor' as a key word to trigger the display of sponsored links is not use of the mark in a trademark sense."; likening strategy to retail store product placement, a metaphor echoed in *Rescuecom*, 456 F. Supp. 2d at 402-3).
48. *1-800 Contacts, Inc. v. WhenU.Com, Inc.*, 414 F.3d 400, 410 (2d Cir. 2005).
49. *Id.* at 402, 410.
50. *Id.* at 403.
51. *Id.* at 409, 411-12.
52. *Id.* at 412. The court noted that the *GEICO* court had "distinguish[ed] WhenU's conduct from [Google's] practice of selling 'keywords' to its advertising clients." *Id.* at 409 (citing *Gov't Employees Ins. Co. v. Google, Inc.*, 330 F. Supp. 2d 700, 703-04 (E.D. Va. 2004)).
53. *1-800 Contacts, Inc. v. WhenU.Com, Inc.*, 414 F.3d 400, 412 (2d Cir. 2005).
54. *Id.* (citation omitted).
55. *Rescuecom Corp. v. Google, Inc.*, 456 F. Supp. 2d 393, 403 (N.D.N.Y. 2006) (holding that internal use of "ZOCOR" mark as a keyword is not trademark use; citing *Merck & Co., Inc. v. Mediplan Health Consulting, Inc.*, 425 F. Supp. 2d 402, 415 (S.D.N.Y. 2006)).
56. *Id.* at 403.
57. *Id.* at 398-400.
58. *Id.* at 400 (citing *GEICO's* and *Edina Realty's* conflation of what, in the Second Circuit, are three distinct elements of a trademark infringement claim: trademark "use," "in commerce," and "likelihood of confusion").

59. *Id.* at 399-400.
Pfefferkorn: Liability for Search Engine Triggering of Trademarked Keywords af
60. *Id.* at 403.
61. *Rescuecom Corp. v. Google, Inc.*, 456 F. Supp. 2d 393, 403 (N.D.N.Y. 2006).
62. *Id.* at 400 (“A ‘trademark use’ . . . is one indicating source or origin.”) (citing *Pirone v. MacMillan, Inc.*, 894 F.3d 579, 583 (2d Cir. 1990)).
63. *Id.* at 397. Google recommended the term in its Keyword Suggestion Tool, which uses keywords entered by an AdWords advertiser to generate a list of related keywords the advertiser might want to bid on.
64. *Id.* at 403 (citing *1-800 Contacts, Inc. v. WhenU.Com, Inc.*, 414 F.3d 400, 409 (2d Cir. 2005)).
65. Search engine defendants include GoTo.com in *800-JR Cigar, Inc. v. GoTo.com, Inc.*, 437 F. Supp. 2d 273 (D.N.J. 2006), and Google in *Government Employees Ins. Co. v. Google, Inc. (GEICO I)*, 330 F. Supp. 2d 700 (E.D. Va. 2004), more detailed opinion issued, 2005 WL 1903128 (E.D. Va. Aug. 8, 2005) (*GEICO II*), and *Rescuecom Corp. v. Google, Inc.*, 456 F. Supp. 2d 393 (N.D.N.Y. 2006). *See also* *1-800 Contacts, Inc. v. WhenU.Com, Inc.*, 414 F.3d 400 (2d Cir. 2005) (in which the plaintiff sued an Internet marketing company, not a search engine).
66. The defendants in *Edina Realty, Inc. v. TheMLSOnline.com*, 2006 WL 737064 (D. Minn. Mar. 20, 2006), and *Merck & Co., Inc. v. Mediplan Health Consulting, Inc.*, 425 F. Supp. 2d 402 (S.D.N.Y. 2006), *reconsideration denied*, 431 F. Supp. 2d 425 (S.D.N.Y. 2006), were competitors of the respective plaintiffs.
67. *Rescuecom*, 456 F. Supp. 2d at 403.
68. *Rescuecom* may have influenced plaintiffs in other pending cases. For example, *American Blind & Wallpaper Factory’s* settlement with Google, in which Google lost nothing, ended four years of well-publicized litigation before the case could go to trial. *Google Inc. v. American Blind & Wallpaper Factory Inc.*, 2007 WL 1848665 (N.D. Cal. June 27, 2007), *case settled*, No. 5-03-CV-5340-JF (N.D. Cal. Aug. 31, 2007) (on file with author) [hereinafter “ABWF Settlement Order”]; Eric Goldman, *American Blinds [sic]-Google Lawsuit Settles*, TECHNOLOGY & MARKETING LAW BLOG, Aug. 31, 2007, <http://blog-ericgoldman.org/archives/2007/08/american-blinds-1.htm>

69. Agreed Final Judgment at 1, *American Airlines, Inc. v. Google, Inc.*, No. 4-07-CV-487 (N.D. Tex. July 17, 2008) (on file with author). The airline had sued for direct, contributory, and vicarious trademark infringement in August 2007. Complaint at 35-40, *American Airlines, Inc. v. Google, Inc.*, No. 4-07-CV-487 (N.D. Tex. Aug. 16, 2007) (on file with author). Soon after the airline initiated its suit, American Blind & Wallpaper Factory settled its own longstanding lawsuit against Google for letting competitors purchase its marks as keywords. Agreement between American Blind & Wallpaper Factory, Inc., and Google, Inc. (Aug. 31, 2007) (on file with author) [hereinafter "ABWF Agreement"]. See also ABWF Settlement Order, *supra* note 68; *Google, Inc. v. American Blind & Wallpaper Factory, Inc.*, 2005 WL 832398 (N.D. Cal. Mar. 30, 2005) (discussing the plaintiff's causes of action). American Blind stated that it settled partly because it believed that American Airlines was in a better position to sue Google. Jessie Seyfer, *Google Foe Ends Unique Trademark Suit Over Keywords*, THE RECORDER, Sept. 5, 2007, at 1, <http://www.law.com/jsp/article.jsp?id=900005557121> (statement by American Blind CEO that "American Airlines is more well-suited to take on Google than we are"). As expected, this belief did not hold up. See Eric Goldman, *American Airlines Sues Google Over Keyword Ads*, TECHNOLOGY & MARKETING LAW BLOG, Aug. 16, 2007, http://blog.ericgoldman.org/archives/2007/08/american_airlin.htm (analyzing American Airlines' complaint and concluding that "[it] was not a good lawsuit for American Airlines to bring.").
70. Eric Goldman, *American Airlines and Google Settle Keyword Advertising Lawsuit*, TECHNOLOGY & MARKETING LAW BLOG, July 19, 2008, http://blog.ericgoldman.org/archives/2008/07/american_airlin_1.htm.
71. Alternatively, search engines' advertising clients could turn to using the strategy of nuisance suits against the search engines, brought with the intent of settling for the injunctive or monetary relief that the courts have unwilling to afford trademark keying plaintiffs.
72. Google AdWords Help Center: What Is Google's Trademark Policy?, <http://adwords.google.com/support/bin/answer.py?>

73. *Rescuecom Corp. v. Google, Inc.*, 456 F. Supp. 2d 393, 403 (N.D.N.Y. 2006). *Accord*, *Hamzik v. Zale Corp./Del.*, 2007 WL 1174863, at *3 (N.D.N.Y. Apr. 19, 2007); *Site Pro-1, Inc. v. Better Metal, LLC*, 506 F. Supp. 2d 123, 125-26 (E.D.N.Y. 2007); *FragranceNet.com, Inc. v. FragranceX.com, Inc.*, 493 F. Supp. 2d 545, 550 (E.D.N.Y. 2007); *S & L Vitamins, Inc. v. Australian Gold, Inc.*, 521 F. Supp. 2d 188, 201-02 (E.D.N.Y. 2007).
74. *Buying for the Home, LLC v. Humble Abode, LLC*, 459 F. Supp. 2d 310, 323 (D.N.J. 2006); *J.G. Wentworth, S.S.C. Ltd. P'ship v. Settlement Funding LLC*, 2007 WL 30115, at *6 (E.D. Pa. Jan. 4, 2007); *Boston Duck Tours, LP v. Super Duck Tours, LLC*, 527 F. Supp. 2d 205, 207 (D. Mass. 2007), *rev'd on other grounds*, 2008 WL 2444480 (1st Cir. June 18, 2008). See also *T.D.I. Int'l, Inc. v. Golf Preservations, Inc.*, 2008 WL 294531, at *3-4 (E.D. Ky. Jan. 31, 2008), which provides some weak support for the deepening split between the Second Circuit and other circuits. *T.D.I. Int'l.* applied the new standard for ruling on a motion to dismiss that the Supreme Court announced in *Bell Atlantic Corp. v. Twombly*, 550 U.S. ___, ___, 127 S.Ct. 1955, 1974 (2007): the court declined to dismiss the case, ruling, without actually deciding the issue, that trademark keying *may* "plausibly" be a use in commerce. *T.D.I. Int'l*, 2008 WL 294531, at *4. See also *Alleged Unauthorized Purchase of Keyword Ad Term Yields 'Plausible' Lanham Act Claim*, COMPUTER TECHNOLOGY LAW REPORT, Feb. 15, 2008, at 86.
75. *Rescuecom*, 456 F. Supp. 2d at 398, 403. The district court noted that while the Second Circuit had considered pop-ups in *1-800 Contacts*, "the Second Circuit has not considered whether the purchase or sale of a trademark as a keyword that triggers the appearance of an advertisement is a trademark infringement." *Id.* As of this writing, the Second Circuit had heard oral arguments in *Rescuecom's* appeal from the district court's ruling but had not yet issued its decision.
76. *Buying for the Home*, 459 F. Supp. 2d at 315.
77. *Id.* at 315-16, 319.
78. *Id.* at 321-24.
79. *Id.* at 323 (purchasing keywords containing the

plaintiff's mark in order to trigger ads including a link to the defendants' website clearly satisfied the "use," "in commerce," and "in connection with any goods or services" requirements of 15 U.S.C. § 1125(a)(1)).

80. J.G. Wentworth, S.S.C. Ltd. P'ship v. Settlement Funding LLC, 2007 WL 30115, at *6 (E.D. Pa. Jan. 4, 2007). In this case, the defendant, a close competitor of the plaintiff, had allegedly used the terms "J.G. Wentworth" or "JG Wentworth" as keywords in a Google AdWords ad campaign, though the terms did not appear in the resulting ad text. *Id.* at *2.
81. *Id.* at *6 (holding that "establishing an opportunity to reach consumers" by purchasing trademarked terms in AdWords "crossed the line from internal use to use in commerce under the Lanham Act").
82. Boston Duck Tours, LP v. Super Duck Tours, LLC, 527 F. Supp. 2d 205, 207 (D. Mass. 2007), *rev'd on other grounds*, 2008 WL 2444480 (1st Cir. June 18, 2008). The defendant, a "duck boat" tour company competing with the plaintiff in the Boston area, was previously enjoined from using the term "duck tours" as a trademark or service mark in connection with its Boston business. Boston Duck Tours, LP v. Super Duck Tours, LLC, 514 F. Supp. 2d 119 (D. Mass. 2007). The plaintiff argued that the defendant was violating the injunction by continuing to bid on the keyword "boston duck tours" on Google AdWords. *Boston Duck Tours*, 527 F. Supp. 2d at 206. The court held that the defendant had not violated the injunction: its purchase of the disputed keyword was not likely to result in consumer confusion because the text of the ad triggered by the keyword "distinguish[ed] the defendant from the plaintiff," and because the defendant had adopted a new trademark, which also served to disambiguate it from the plaintiff's business. *Id.* at 208. The Court of Appeals for the First Circuit subsequently held that the term "duck tours" is generic and therefore not entitled to any trademark protection at all. Boston Duck Tours, LP v. Super Duck Tours, LLC, 2008 WL 2444480 (1st Cir. June 18, 2008).
83. *Boston Duck Tours*, 527 F. Supp. 2d at 207.
84. Between April and September 2007, decisions were issued in Hamzik v. Zale Corp./Del., 2007 WL 1174863 (N.D.N.Y. Apr. 19, 2007); Site Pro-1, Inc. v. Better Metal, LLC, 506 F. Supp. 2d 123 (E.D.N.Y.

2007); *FragranceNet.com, Inc. v. FragranceX.com*, 493 F. Supp. 2d 545 (E.D.N.Y. 2007); and *S & L Vitamins, Inc. v. Australian Gold, Inc.*, 521 F. Supp. 2d 188 (E.D.N.Y. 2007).

85. *1-800 Contacts, Inc. v. WhenU, Inc.*, 414 F.3d 400, 409 (2d Cir. 2005).
86. 15 U.S.C. § 1125(a)(1) (2007); *Site Pro-1*, 506 F. Supp. 2d at 127 ("The key question is whether the defendant placed plaintiff's trademark on any goods, displays, containers, or advertisements, or used plaintiff's trademark in any way that indicates source or origin. Here, there is no allegation that [defendant] did so, and therefore no Lanham Act 'use' has been alleged."). For other decisions where the invisibility of the defendant's internal keyword use factored into the court's ruling, see also *Rescuecom Corp. v. Google, Inc.*, 456 F. Supp. 2d 393, 403 (N.D.N.Y. 2006); *Merck & Co., Inc. v. Mediplan Health Consulting, Inc.*, 425 F. Supp. 2d 402, 415 (S.D.N.Y. 2006). *But see* *Edina Realty, Inc. v. TheMLSOnline.com*, 2006 WL 737064, at *3 (D. Minn. Mar. 20, 2006) (holding the defendant's use of the plaintiff's mark to be commercial, though unconventional).
87. *Merck*, 425 F. Supp. 2d at 414 (citing *1-800 Contacts*, 414 F.3d at 411); *Rescuecom*, 456 F. Supp. 2d at 402; *FragranceNet.com*, 493 F. Supp. 2d at 553.
88. *Merck*, 425 F. Supp. 2d at 415 (citing *1-800 Contacts*, 414 F.3d at 409); *Rescuecom*, 456 F. Supp. 2d at 403; *FragranceNet.com*, 493 F. Supp. 2d at 553; *S & L Vitamins*, 521 F. Supp. 2d at 200.
89. 15 U.S.C. § 1127 (2007); *Site Pro-1*, 506 F. Supp. 2d at 127.
90. *Hamzik v. Zale Corp./Del.*, 2007 WL 1174863, at *3 (N.D.N.Y. Apr. 19, 2007) (citing *1-800 Contacts*, 414 F.3d at 409-411, *Rescuecom*, 456 F. Supp. 2d 393 (N.D.N.Y. 2006), and *Merck*, 425 F. Supp. 2d at 415-16 and stating, "[c]ase law makes it clear that merely displaying alternative products in response to a computer search on a tradename is not a Lanham Act use.").
91. *Id.*
92. *S & L Vitamins, Inc. v. Australian Gold, Inc.*, 521 F. Supp. 2d 188 (E.D.N.Y. 2007). Unlike many trademark keying defendants, *S & L Vitamins* was not a

competitor of Australian Gold, a maker of tanning lotions; rather, S & L Vitamins sold Australian Gold's products through its website without having entered into Australian Gold's customary distribution agreement. Australian Gold sued S & L Vitamins, not just for trademark infringement over S & L Vitamins' use on its website of pictures of Australian Gold products, but also for tortious interference with its distribution contracts. *S & L Vitamins*, 521 F. Supp. 2d at 195. Australian Gold had previously prevailed in the Tenth Circuit Court of Appeals against defendants located in Oklahoma, who sold Australian Gold products on their website and purchased ads on Overture for keywords containing the plaintiff's trademarks "Australian Gold" and "Swedish Beauty." *Australian Gold, Inc. v. Hatfield*, 436 F.3d 1228, 1233, 1246 (10th Cir. 2006). The Tenth Circuit affirmed the lower court's holding of trademark infringement, but did not mention "trademark use" or "use in commerce"; its analysis instead focused on initial interest confusion, which the court held resulted from the Overture listings and other conduct by the defendant. *Hatfield*, 436 F.3d at 1239.

93. *S & L Vitamins*, 521 F. Supp. 2d at 199 (noting that "[c]ourts in other circuits, however, have generally found 'use' to exist in such situations.").
94. 15 U.S.C. § 1114(1)(a) (2007). Holding public-facing ad text containing the plaintiff's trademark to be a "use" made "in commerce" also avoids any inter-circuit tensions generated by the Second and Fourth Circuits' treating "use" and "in commerce" as discrete elements of a Lanham Act claim rather than as a single element.
95. *See, e.g., 1-800 Contacts, Inc. v. WhenU, Inc.*, 414 F.3d 400, 410 (2d Cir. 2005) (reversing district court's decision, noting the holding's "fatal flaw" was that "WhenU's ads do *not* display the 1-800 trademark"); *Site Pro-1, Inc. v. Better Metal, LLC*, 506 F. Supp. 2d 123, 124 (E.D.N.Y. 2007) ("It is undisputed, however, that the SITE PRO 1® mark was *not* displayed in the sponsored search result linking to the Better Metal Website."
96. *See, e.g., Gov't Employees Ins. Co. v. Google, Inc. (GEICO I)*, 330 F. Supp. 2d 700, 704 (E.D. Va. 2004).
97. *GEICO I*, 330 F. Supp. 2d at 704. *Accord*, *Boston Duck Tours, LP v. Super Duck Tours, LLC*, 527 F. Supp. 2d 205, 208 (D. Mass. 2007) (holding that under the

circumstances, "consumer confusion is likely diminished rather than increased" by the defendant competitor), *rev'd on other grounds*, 2008 WL 2444480 (1st Cir. June 18, 2008); *T.D.I. Int'l, Inc. v. Golf Preservations, Inc.*, 2008 WL 294531 at *3 (E.D. Ky. Jan. 31, 2008) (noting that "the 'touchstone of liability . . . is whether the defendant's use of the disputed mark is likely to cause confusion among consumers regarding the origin of the goods offered by the parties,'" citing *Allard Enters., Inc. v. Advanced Programming Res., Inc.*, 146 F.3d 350, 355 (6th Cir.1998)).

98. *J.G. Wentworth, S.S.C. Ltd. P'ship v. Settlement Funding LLC*, 2007 WL 30115, at *6 (E.D. Pa. Jan. 4, 2007) (citing *Checkpoint Sys., Inc. v. Check Point Software Techs., Inc.*, 269 F.3d 270, 280 (3d Cir. 2001)).
99. *J.G. Wentworth*, 2007 WL 30115, at *4. See also *1-800 Contacts*, 414 F.3d at 409 ("A company's internal utilization of a trademark in a way that does not communicate it to the public . . . simply does not violate the Lanham Act.").
100. Keenan, *supra* note 7, at ¶¶ 18-19.
101. See, e.g., *Buying for the Home, LLC v. Humble Abode, LLC*, 459 F. Supp. 2d 310, 323 (D.N.J. 2006) (noting that whether trademark use was unlawful "can only be determined upon an examination of all of the elements of Plaintiff's claims, including whether the use of the mark was likely to confuse or deceive consumers."); *Edina Realty, Inc. v. TheMLSOnline.com*, 2006 WL 737064, at *5-7 (D. Minn. Mar. 20, 2006) (denying the defendant's summary judgment motion as to the plaintiff's trademark infringement claims and rejecting the defendant's nominative fair use defense, where the defendant had used the plaintiff's mark in ad text on both Yahoo! and Google).
102. *J.G. Wentworth*, 2007 WL 30115, at *6, 8.
103. Eric Goldman, *Rescuecom v. Google Oral Arguments Finally Calendared*, TECHNOLOGY & MARKETING LAW BLOG, Feb. 27, 2008, http://blog.ericgoldman.org/archives/2008/02/rescuecom_v_goo_4.htm.
104. *1-800 Contacts, Inc. v. WhenU.Com, Inc.*, 414 F.3d 400, 403 (2d Cir. 2005) (no use in commerce in pop-up ad context).

105. A number of jurisdictions have yet to rule on the issue at all, leaving uncertain the outcome of any litigation that may be brought in those courts. For example, while at least two trademark keying cases have arisen within the Ninth Circuit Court of Appeals, the court in each case declined to rule on the trademark use question, citing insufficient evidence that the defendant had purchased the plaintiff's trademarks as keywords. *Picture It Sold, Inc. v. iSOLD IT, LLC*, 199 Fed. Appx. 631, 634 (9th Cir. 2006); *Rhino Sports, Inc. v. Sport Court, Inc.*, 2007 WL 1302745, at *8 (D. Ariz. May 2, 2007) (noting controversy over the issue of trademark keying and refusing to hold that keyword use of a trademark is "use in commerce" unless the Ninth Circuit itself expressly does so).

106. The circuit split stands to be reinforced in the district court for the District of Utah, where 1-800 Contacts, having lost in the Second Circuit, is suing a competing online business for buying "1800Contacts" as a keyword. Complaint at 7, *1-800 Contacts, Inc. v. LensWorld.com, Inc.*, 2-08-CV-00015-SA (D. Utah filed Jan. 8, 2008) (on file with author). See also Eric Goldman, *1-800 Contacts Sues LensWorld for Keyword Advertising*, TECHNOLOGY & MARKETING LAW BLOG, Jan. 9, 2008,

http://blog.ericgoldman.org/archives/2008/01/1800_contacts_s_1.htm

. For a discussion of why Utah is a highly favorable venue in which to bring this lawsuit, see Thomas O'Toole, *Utah: Tailor-Made Venue for Keyword Advertising Suits*, E-COMMERCE AND TECH LAW BLOG, Jan. 9, 2008, <http://pblog.bna.com/techlaw/2008/01/utah-tailor-mad.html>.

107. See, e.g., Ian Gillies, Note, *Rescuecom Corp. v. Google Inc. and 800-JR Cigar v. Goto.com: Reaching a Fair Result in Keyword Triggered Advertising and Trademark Cases*, 47 Jurimetrics J. 441 (2007) (suggesting a legal test for courts' "use" analysis that distinguishes keyword purchases from the resulting ads' text, in order to reach a fair compromise between trademark owners' and search engines' respective rights and interests).